this anti-people and unethical tendencies on the port of nationalised/scheduled banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Representations have been received by Government, Indian Banks' Association (IBA) and Reserve Bank of India (RBI) from chambers of commerce, trade and industry, Individuals etc. against the increase in the service charges by banks. According to IBA, no representation has been received against lending rates.

(b) RBI have not issued any directive or guidelines regarding levy of service charges. RBI had announced revision of lending rates on 17th October 1994. The lending rates for credit limits over Rs. 2 lakhs were deregulated by RBI. The minimum lending rate is now replaced by prime lending rate which is decided by each bank individually with the aproval of their Board of Directors. However, to protect the borrowers availing of relatively lower credit limits, i.e. upto Rs. 2 lakhs, the lending rates continue to be prescribed by RBI.

(c) RBI have reported that since April 1992, banks have been given the freedom to determine the maturity and interest rates on term deposits subject only to a ceiling stipulation. Banks fix the interest rates on terms deposits of various maturities taking into account a number of factors.

India's Net Debt

2254. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to a news item in the "Hindustan Times' dated 24th January, 1995, India's net debt was $ 83.2 billion in 1993;

(b) if so, the net debt position as in 1994 and as on date;

(c) whether it is also a fact that Government are considering to take further loans in 1995 and 1996;

(d) whether Government have drawn any plan to liquidate this debt; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) The news item in "The Hindustan Times' dated January 24, 1995 refers to the World Debt Tables published by the World Bank, according to which India's net debt was US $83.2 billion in 1993. However, according to the classification of debt adopted by the Government and published in the Economic Survey 1994-95, India's external debt (including NRI deposits and defence debt) was US $ 89.9 billion, US $ 90.7 billion and US $ 90.4 billion at the end of March 1993, March 1994 and September 1994 respectively.

(c) Government does not regard external borrowing as a substitute for resource mobilisation through domestic efforts. However, external resources are mobilised, which is a continuous process, to bridge the gap between total investment outlays and internal resources available for the planned development of the economy. Fresh Loans are required to be taken for meeting the foreign exchange requirements of various project and non-project programmes according to our national plan priorities.

(d) and (e) External loans are being repaid on due dates according to the terms and conditions of each loan agreement. Government is conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. The Government has already taken a number of steps to bring about improvements in revenue receipts, to eliminate inessential and low priority expenditure, to boost export, to increase invisible earnings to ensure efficient import substitution, to increase non-debt creating in flow of foreign funds and to reduce dependence on borrowed funds for financing expenditure.

Income Tax Amounting to Rupee One Crore or above

2255. SHRI MOHAMMAD AFZAL alias MEEM AFZAL: Will the Minister of FINANCE be pleased to state:

(a) what is the number of industrialists, firms and individuals in the country from income tax amounting to rupee one crore or above was outstanding on 31st March, 1994; and

(b) what are the names with amount thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) There were 1023 names as on 31.3.94 against whom the Income tax amounting to rupees one crore and above was outstanding. The list of these names would make the reply quite bulky and time and efforts involved in its preparation may not be commensurate with the objectives sought to be achieved.

Foreign Exchange and Domestic Monetary position of India

2256. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether the domestic monetary situation as well as the foreign exchange position are static and not improving; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) Money Supply (M3) has recorded a lower growth of 16.5 per cent in the current financial year upto March 3, 1995 as against 17.3 per cent growth in the corresponding period of 1993-94 (upto March 4, 1994). India's foreign currency reserves had reached over $ 20 billion in March, 1995 as against $ 15.1 billion at the end of March 1994, and they can cover about eight months of our imports.

UTI Investment Plan

2257. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the controversy raised in respect of the UTI investment plan;

(b) if so, what steps Government are going to take for restructuring the investment plan; and

(c) whether any discrimination committed by UTI has come to the notice of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Government is aware that there have been media reports about the investment plans of the Unit Trust of India. UTI has clarified to Government that all their investment decisions are made on the basis of evaluation of concrete proposals and the assessment of the safety and attractiveness of investments in different companies. Investments are made purely on commercial considerations with due regard to prudential norms and with the approval of the Board or the Executive Committee.

Recommendations of Sodhani Committee

2258. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) what are the major recommendations of Sodhani Committee Report;

(b) whether it is a fact that R.B.I. has accepted the recommendations and would allow international brokers to operate in India; and

(c) if so, what are the details and its advantages?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARAMURTHY): (a) to (c) An Expert Group on Foreign Exchange Markets in India was set up by the Reserve Bank of India on November 1994 to examine issues relating to products available for hedging foreign exchange risks, scope for further development of foreign exchange markets in India and the introduction of new derivative products. The Expert Groups is chaired by Shri O.P. Sodhani, Executive Director, Reserve bank of India. The Expert Group has submitted its interim recommendations to the Reserve Bank of India. No decision has been taken by the Reserve Bank of India on the interim recommendations so far. The final report of the Expert Group is yet to be submitted.

Postponement of Mega Issue of IDBI

2259. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) what were the factors forcing postponement of the mega Issue of Industrial Development Bank of India stated to open on the 27th January, 1995.